MIC

The Myanmar Investment Commission

Sr No 1720

Dated 4.2.2011

Myanmar Investment Commission

PERMIT

Permit No. 459 / 2011

Date 4th FEBRUARY, 2011

The Myanmar Investment Commission issues this Permit under Section 10 of the Union of Myanmar Foreign Investment Law-

(a) Name of Promoter MR. SHIN HYEONG SUBP

(b) Citizenship KOREAN

(c) Address NO. 201, 2F 134-1 SONGPA-DONG, SONGPA-GU, SEOUL, REPUBLIC OF KOREA.

(d) Name and Address of principal organization DAEKWANG INTERNATIONAL COMPANY LIMITED, NO. 201, 2F 134-1 SONGPA- DONG, SONGPA-GU, SEOUL, REPUBLIC OF KOREA.

(e) Place of incorporation REPUBLIC OF KOREA

(f) Type of business in which investment is to be made PRODUCTION OF GARMENTS ON CMP BASIS

(g) Place(s) at which investment is permitted PLOT NO.213, 214,215, 222, 223, 224, SHWE PAUKKAN INDUSTRIAL QUARTER, NORTH OKKALAPA TOWNSHP, YANGON REGION

(h) Amount of foreign capital US $ 1.111 MILLION

(i) Period for bringing in foreign capital AFTER MIC PERMIT WITHIN 6 MONTHS

(j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF US$ 1.111 MILLION

(k) Permitted duration of investment 15 YEARS

(l) Name of the economic organization to be formed in Myanmar DAEKWANG INTERNATIONAL COMPANY LIMITED

Chairman

The Myanmar Investment Commission

မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်

ခွင့်ပြုမိန့်

ခွင့်ပြုမိန့်အမှတ် ၄၅၉/၂၀၁၁ ၂၀၁၁ခုနှစ်၊ ဖေဖော်ဝါရီလ

ပြည်ထောင်စု မြန်မာနိုင်ငံတော် နိုင်ငံခြား ရင်းနှီးမြှုပ်နှံမှု ဥပဒေ ပုဒ်မ (၁၀) အရ ဤခွင့်ပြုမိန့်ကို မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်က ထုတ်ပေးလိုက်သည်-

(က) ကမကထပြုသူ၏အမည် MR.SHIN HYEONG SUBP

(ခ) မည်သည့် နိုင်ငံသား KOREAN

(ဂ) နေရပ်လိပ်စာ NO. 201, 2F 134-1 SONGPA DONG, SONGPA-GU, SEOUL, REPUBLIC OF KOREA

(ဃ) ပင်မအဖွဲ့အစည်းအမည်နှင့် လိပ်စာ DAEKWANG INTERNATIONAL COMPANY LIMITED NO. 201, 2F 134-1 SONGPA DONG, SONGPA-GU, SEOUL, REPUBLIC OF KOREA.

(င) ဖွဲ့စည်းရာအရပ် REPUBLIC OF KOREA.

(စ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်မည့်လုပ်ငန်းအမျိုးအစား CMP စနစ်ဖြင့် အထည်ချုပ်လုပ်ငန်း

(ဆ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်ခွင့်ပြုသည့်အရပ်ဒေသ(များ) မြေကွက်အမှတ် ၂၁၃၊ ၂၁၄၊ ၂၁၅၊ ၂၂၂၊ ၂၂၃၊ ၂၂၄၊ ရွှေပေါက်ကံစက်မှုဇုန်၊ မြောက်ဥက္ကလာပမြို့နယ်၊ ရန်ကုန်တိုင်းဒေသကြီး

(ဇ) နိုင်ငံခြားမတည်ငွေရင်း အမေရိကန်ဒေါ်လာ ၁.၁၁၁ သန်း

(ဈ) နိုင်ငံခြားမတည်ငွေရင်းယူဆောင်လာရမည့်ကာလ ကော်မရှင် ခွင့်ပြုမိန့် ရရှိပြီးနောက် (၆)လ အတွင်း

(ည) စုစုပေါင်း မတည်ငွေရင်းပမာဏ(ကျပ်) အမေရိကန်ဒေါ်လာ ၁.၁၁၁ သန်း နှင့် ညီမျှသော မြန်မာကျပ်ငွေ

(ဋ) ရင်းနှီးမြှုပ်နှံခွင့်ပြုသည့် သက်တမ်း ၁၅ နှစ်

(ဌ) မြန်မာနိုင်ငံတွင် ဖွဲ့စည်းမည့် စီးပွားရေး အဖွဲ့အစည်းအမည် DAEKWANG INTERNATIONAL COMPANY LIMITED

ဥက္ကဋ္ဌ

မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်

THE UNION OF MYANMAR

MYANMAR INVESTMENT COMMISSION

Building No.(32), Nay Pyi Taw

Our ref : Ya Ka-1/Na- 631/ 2011 (1720)
Dated : 4th February 2011.

Tel: 067-406334,406075
Fax: 95-67-406333

Subject : **Decision of the Myanmar Investment Commission on the Proposal for "Production of Garments on CMP Basis" with under the name of "Daekwang International Company Limited."**

Reference: Ministry of Construction Letter No.25/1SaBa(Rental)/(2010-2011)(517) dated (9-9-2010)

1. The Myanmar Investment Commission, at its meeting (32 /2010) held on (24 - 9 -2010) and the Trade Council, at its meeting (40/2010) (21- 12 -2010) had reviewed the proposal for investment in "Production of Garments on CMP Basis" under the name of "Daekwang International Company Limited" submitted by "Daekwang International Company Limited" from the Republic of Korea as a wholly foreign owned investment. After careful review, it was deliberated that the proposed project be approved in principle for implementation and the proposal be submitted to the Cabinet meeting for final approval.

2. The Cabinet, at its meeting (3 /2011) held on (20 - 1-2011), had resolved to permit the implementation of the said project. Hence, the "Permit" is herewith issued in accordance with Chapter VI, Section 10 of the Union of Myanmar Foreign Investment Law and Chapter VI, Rule 13 of the Procedures relating to the said Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. The permitted duration of the project shall be leased initially for a period of 15(Fifteen)years commencing from the effective date of signing of the Land Lease Agreement and extendable for another 5(Five)years 2 (Two) times upon mutual agreement between the Department of Human Settlement and Housing Development and Daekwang International Company Limited. At the end of the leased period, Daekwang International Company Limited shall transfer the land and immovable properties including buildings without any consideration to the Department of Human Settlement and Housing Development within 3(Three) months in good condition, ground damages having been refilled or repaired.

4. The annual rent shall be calculated at the rate of US $ 3 (United States Dollars Three Only) per square meter per annum for 1.429 acres(5783.36 square meter) to the amount of US $ 17,350.08 (United States Dollar Seventeen Thousand Three Hundred and Fifty and eight cent Only). The rate of the annual rent shall be revised in view of prevailing land lease rates after 5(Five) years period and the increase in the rate of the rent shall not be more than 15%(Fifteen) percent of the preceding annual rent.

5. Daekwang International Company Limited shall provide the Performance Bank Guarantee to the amount of US$ 27,373.50 (United States Dollars Twenty Seven Thousand Three Hundred and Seventy Three and fifty cent Only) equivalent to 3% (Three) percent of the investment amount US$ 912,450(United States Dollar Nine Hundred and Twelve Thousand and Four Hundred and Fifty) in favour of the Department of Human Settlement and Housing Development within 30(Thirty)days after the signing of the Land Lease Agreement.

6. In issuing this "Permit," the Commission has granted , amongst the followings, exemptions and reliefs as per Section 21(a) (i) and (j) of the Union of Myanmar Foreign Investment Law. Other exemptions and reliefs under Section (21) shall have to be applied upon the actual performance of the project.

(a) As per section-21(a), exemption from income tax up to 36(Thirty six) consecutive months starting from the month of commencement of commercial operation;

(b) As per section-21(b), exemption from income tax on profits of the business if they are maintained in a reserve fund and re-invested therein within one year after the reserve is made;

(c) As per section-21(c), right to accelerate depreciation in respect of machinery, equipment, building of other capital assets used in the business to the extent of the original value for the purpose of income-tax assessment;

(d) As per section-21(d), relief from income tax up to 50 percent on profits accrued from exports, following 36 (Thirty six) consecutive months holiday period;

(e) As per section-21(e), right to pay income-tax payable to the State on behalf of foreigners who have come from abroad and are employed in the enterprise and the right to deduct such payment from the assessable income;

(f) As per section-21(f), right to pay income-tax on the income of the above-mentioned foreigners at the rates applicable to the citizens residing within the country;

(g) As per section-21(g), right to deduct from the assessable income such expense incurred in respect of research and development relating to the enterprise which are actually required and are carried out within the State, only after 3 years tax holiday period;

(h) As per section-21(h), right to carry forward and set-off up to three consecutive years from the year the loss is sustained following the enjoyment of exemption from income-tax, in accordance with Section-4 of the Income Tax Amendment Law, 1991;

(i) As per section-21(i), exemption from customs duty and all other internal taxes on machinery, equipment, instruments, machinery components, spare parts and materials used in the business, which are imported as they are actually required for use during the period of construction;

(j) As per section-21(j), exemption from customs duty and all other internal taxes on such raw materials which are actually required for operation of the business shall be granted within three years of commercial operation following the period of construction. However, such imports shall be subject to the approval endorsed by the Ministry of Construction.

7. Daekwang International Company Limited shall have to sign One Hundred Percent Foreign Investment Contract and Land Lease Agreement with the Department of Human Settlement and Housing Development. After signing such Agreement, (5) copies each of those shall have to be forwarded to the Commission.

8. Daekwang International Company Limited in consultation with the Department of Company Registration, Directorate of Investment and Company Administration shall have to be registered. After registration, (5) copies each of Certificate of Incorporation and Memorandum and Articles of Association shall have to be forwarded to the Commission.

9. Daekwang International Company Limited shall use its best efforts for timely realization of works stated in the Proposal. If none of such works has been commenced within one year from the date of issue of this "Permit", it shall become null and void.

10. The official date of commercial operation shall be reported to the Commission.

11. Suitstar Garment Co., Ltd. shall endeavour to meet the targets for production and export stated in the proposal as the minimum target.

12. The Commission approves periodical appointments of foreign experts and technicians from abroad as per proposal. Daekwang International Company Limited shall have to consult with Directorate of Labour, Ministry of Labour for appointment of such foreign experts and technicians.

13. In order to evaluate foreign capital in terms of Kyats and for the purpose of its registration in accordance with the provision under Section-24 of the Union of Myanmar Foreign Investment Law, it is compulsory to report as early as possible in the following manner:-

(a) the amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened;

(b) the detailed lists of the type and value of foreign capital defined under Section - 2 (h) of the said Law, other than foreign currency, to the Chairman, Foreign Capital Evaluation Committee.

14. Whenever Daekwang International Company Limited brings in foreign capital defined under Section-2(h) of the said Law, other than foreign currency in the manner stated in paragraph 13(b) mentioned above, the Inspection Certificate endorsed and issued by an internationally recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

15. After all types of foreign capital (foreign currency and other types of foreign capital) have been brought into Myanmar, a report shall have to be submitted to the Commission as prescribed, vide letter No. Na-Ya 9/101/92(416) dated 3-12-92 [Annexure (1)]

16. Daekwang International Company Limited shall report to the Commission for any alteration in the physical and financial plan of the project. Cost overrun, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

17. Daekwang International Company Limited shall be responsible for the preservation of the environment at and around the area of the project site. Hence, it shall observe the directive issued by the Commission vide letter No. Ya Ka-1/139/94(0440) dated 30-6-94[Annexure(2)] to undertake all proper treatment systems and other necessary environmental control systems.

18. Payment of principal and interest of the loan(if any) as well as payment for import of raw materials and spare parts etc. shall only be made out of the official foreign exchange earnings of Daekwang International Company Limited.

19. Daekwang International Company Limited in consultation with Myanma Insurance, shall effect such types of insurance defined under Chapter VIII, Rule 15 of the Procedures relating to the Union of Myanmar Foreign Investment Law.

(Maung Maung Thein)
Chairman

Mr.Shin Hyeong Subp

Daekwang International Company Limited

c/o Director General
Department of Human Settlement and Housing Development

cc:
1. Office of the Chairman of State Peace and Development Council
2. Office of the State Peace and Development Council
3. Office of the Government of the Union of Myanmar
4. Ministry of National Planning and Economic Development
5. Ministry of Finance and Revenue
6. Ministry of Commerce
7. Ministry of Construction
8. Ministry of Foreign Affairs
9. Ministry of Home Affairs
10. Ministry of Immigration and Population
11. Ministry of Labour
12. Ministry of Electric Power No.(2)
13. Chairman, Foreign Capital Evaluation Committee
14. Director General, Directorate of Investment and Company Administration
15. Director General, Customs Department
16. Director General, Internal Revenue Department
17. Managing Director, Myanma Foreign Trade Bank
18. Managing Director, Myanma Investment and Commercial Bank
19. Managing Director, Myanma Insurance
20. Managing Director, Myanma Electric Power Enterprise
21. Director General, Directorate of Trade
22. Director General, Immigration and National Registration Department
23. Director General, Directorate of Labour
24. Chairman, Union of Myanmar Federation of Chambers of Commerce and Industry(UMFCCI)